

# Exhibit A

**RC GLOBAL INVESTMENTS LIMITED**

(incorporated as a company limited by shares in the British Virgin Islands)

**INFORMATION MEMORANDUM**

**THIS INFORMATION MEMORANDUM IS PRIVATE AND CONFIDENTIAL  
AND IS NOT FOR UNAUTHORISED DISSEMINATION OR CIRCULATION**

**[*date*] 2012**

## **PRELIMINARY MATTERS**

If you are in any doubt about the contents of this Information Memorandum, you should consult your solicitor, professional accountant or other professional adviser.

No action has been taken to permit the distribution of this Information Memorandum in any jurisdiction where action would be required for such purpose. The distribution of this Information Memorandum and the offering of the Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Information Memorandum may come in such jurisdictions are required to inform themselves of and observe any such restrictions. Accordingly, no person receiving a copy of this Information Memorandum and/or subscription agreement in any territory may treat the same as constituting an invitation to him to purchase or subscribe for Shares nor should he in any event use such subscription agreement unless in the relevant territory such an invitation could lawfully be made without compliance with any registration or other legal requirement.

**It is the responsibility of the Subscriber to satisfy itself as to full compliance with the applicable laws or regulations of any relevant territory, including obtaining any requisite governmental or other consent and observing any formalities prescribed in such territory.**

The Subscriber shall be responsible for informing itself as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of its jurisdiction of incorporation and operation and which might be relevant to the subscription, holding, or disposal of Shares.

This Information Memorandum is intended solely for the use of [] for the purpose of evaluating a possible investment in the Shares, and is not to be reproduced or distributed to any other persons (other than its professional advisers).

## DEFINITIONS

<b>“Accounting Date”</b>	31 December in each year or such other date as the Directors may from time to time determine;
<b>“Accounting Period”</b>	a period commencing on the date next following an Accounting Date and ending on the next succeeding Accounting Date;
<b>“Act”</b>	the BVI Business Companies Act, 2004 (No. 16 of 2004) and includes the regulations made under the Act;
<b>“Articles”</b>	the Articles of Association of the Company;
<b>“Business Day”</b>	any day on which banks in the British Virgin Islands and Singapore are open for business;
<b>“Company”</b>	RC Global Investments Limited, a IBC company limited by shares and incorporated in the British Virgin Islands on 27 November 2006;
<b>“day”</b>	a calendar day;
<b>“Dealing Day”</b>	the first Business Day of each calendar month or such other days as may from time to time be determined by Resolution of Directors for purposes of the issue of Shares pursuant to the Articles;
<b>“Directors”</b>	the directors of the Company;
<b>“Incapacity”</b>	means, in relation to any person, any legal or mental disability or incapacity of that person as confirmed by a certificate signed by two qualified and competent medical practitioners or a certified copy of an order of a court of competent jurisdiction stating that such person is under an Incapacity and such Incapacity shall be continuing for a period exceeding 30 days;
<b>“Lead Shareholder”</b>	any holder of Management Shares who controls more than 50% of the votes attributed to such Management Shares;
<b>“Management Share”</b>	a management share having a nominal value of US\$1.00 in the share capital of the Company;
<b>“Net Asset Value”</b>	the net asset value of the Company or, as the context may require, of a Share, calculated in accordance with the Articles;

<b>"Participating Shares"</b>	the no par value Class B participating redeemable Shares having the rights set out in the Articles;
<b>"Performance Period"</b>	the period commencing on the initial date the Share is issued and ending at the close of business on the first to occur of (1), (2) and (3) below, and thereafter, for each period commencing on the day following the last day of the preceding Performance Period for the Share and ending as of the close of business on the next to occur of (1) the last Valuation Point in March; (2) the last Valuation Point in June; (3) the last Valuation Point in September; (4) the last Valuation Point in December; and (4) the date the Share is redeemed;
<b>"Redemption Day"</b>	the last Business Day of each calendar quarter with the first Redemption Day falling on <b>[date]</b> and thereafter, the last Business Day of each calendar quarter ending March, June, September or December or such other date as may be designated a Redemption Day by the Company at its sole discretion;
<b>"Redemption Price"</b>	the price calculated in the manner described below under the section headed "Subscription and Redemption Prices" at which Shares will be redeemed subject to the provisions for equalisation as described in the section headed "Equalisation";
<b>"Resolution of Directors"</b>	<p>either:</p> <ul style="list-style-type: none"><li>(a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or</li><li>(b) a resolution consented to in writing by all directors or by all members of a committee of directors of the Company, as the case may be;</li></ul>
<b>"Resolution of Shareholders"</b>	<p>either:</p> <ul style="list-style-type: none"><li>(a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in</li></ul>

excess of 50% of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or

- (b) a resolution consented to in writing by a majority of in excess of 50% of the votes of Shares entitled to vote thereon;

**“Share”**

a share issued or to be issued by the Company of any class in its share capital of the Company;

**“Shareholders”**

persons registered as holders of Shares;

**“Subscription Price”**

the price calculated in the manner described below under the section headed "Subscription and Redemption Prices" at which Shares will be issued on any Dealing Day following the close of the Initial Offer Period subject to the provisions for equalisation as described in the section headed "Equalisation";

**“Valuation Day”**

the last Business Day preceding each Dealing Day or such other date as the Directors may from time to time prescribe;

**“Valuation Point”**

the close of business in the last relevant market to close on a Valuation Day or such other time on such Valuation Day as the Directors may from time to time prescribe; and

**“US\$” or “United States Dollar”**

the legal currency of the United States of America.

## EXECUTIVE SUMMARY

The objective of the Company is to achieve capital appreciation primarily through the high risk speculative trading of commodity interests. The Company currently intends to trade global commodities and related financial products. The Company was established by Reno T. Casimir, who is the Lead Shareholder and sole Director of the Company and will be responsible for managing the investments of the Company.

The Company will invest in a range of commodity interests, including exchange traded futures and options, exchange cleared over-the-counter instruments, swap instruments and equities in commodities related companies. The Company will generally base its trading decisions on “fundamental” factors and will attempt to buy undervalued commodities and sell overvalued commodities. The Company will also use options in an attempt either to reduce or define risks.

The Subscriber must satisfy the requirements set out in this Information Memorandum and as may be imposed by the Company from time to time with a minimum investment amount of **US\$1,000,000.00** (unless waived by the Company). The Company will accept subscriptions from time to time on each Dealing Day.

For services to the Company, the Directors will be entitled to directors’ fees at an annual rate of one percent (1%) of the net asset value of the Company, which shall be calculated monthly and paid in arrears. The Lead Shareholder as the investment manager of the Company shall also be entitled to a performance-based profit allocation at the end of each fiscal quarter equivalent to ten percent (10%) of the Company’s quarterly net profits attributable to a Share, in such manner more particularly set out in the sub-section “*Performance Fee*” in the section marked “Summary of Terms”. **Director’s fees and Performance fees will be waived for the first \$5,000,000.00 in subscriptions for each investor, and will only apply to any additional subscriptions beyond \$5,000,000.00 with terms as described above.**

Redemption of Participating Shares is at the sole discretion of the Company. The redemption amount payable for each Participating Share to be redeemed shall be equivalent to the net asset value attributable to that Participating Share on the immediately preceding Valuation Day. The Directors shall be entitled to deduct from the redemption amount payable for each Participating Share, any reasonable costs and expenses, outstanding fees and Performance Fees.

Payment of redemption proceeds shall be made 45 days after the designated Redemption Day and shall be subject to reserves for contingencies, hold-back pending audit, suspension and liquidity restrictions.

## INVESTMENT OBJECTIVE

### *Investment Objective*

The objective of the Company is to achieve capital appreciation primarily through the high risk speculative trading of commodity interests including but not limited to exchange traded futures and options, exchange cleared over-the-counter instruments and swap instruments. The Company will also reduce risk by investing in different funds or other hedge funds. This will allow for greater diversification and more steady returns.

### *Investment Strategy*

The Company will generally base its trading decisions on “fundamental” factors, namely supply and demand for a particular group or type of commodity. The Company will attempt to buy undervalued commodities and sell overvalued commodities, often—but not always—simultaneously. The Company will use options to attempt either to reduce or define risks.

The Company is aware of price trends but generally will not trade upon trends. The Company may often take profits in positions with specific trends even though that trend may still be intact or perhaps even strong. The Company may occasionally establish positions that are counter to a trend.

Effective risk management is a crucial aspect of the Company’s trading program. Expectation and volatility of the market traded and the nature of other positions taken are all factors in determining the amount of equity committed to each trade.

The decision by the Company not to trade certain markets or not to make certain trades may result at times in missing price moves and hence profits of great magnitude, which other trading advisors who are willing to trade these commodities may be able to capture. The Company’s approach is dependent in part on the existence of certain fundamental indicators. There have been periods in the past when there were no such market indicators, and those periods may recur.

The specific trading methods underlying the Company’s strategy are proprietary and confidential. The foregoing description is, of necessity, general and is not intended to be exhaustive. Apart from the Lead Shareholder, the other Shareholders will not be able to determine the full details of those methods, or whether those methods are being followed.

The investment objectives and methods summarized above represent the Company’s current intentions. Depending on conditions and trends in the commodities and securities markets and the economy in general, the Company may pursue any objectives, employ any investment techniques or purchase any type of security or instrument or make any investment that the Directors and the Lead Shareholder consider appropriate and in the best interests of the Company whether or not described in this section. The foregoing discussion includes and is based upon numerous assumptions and opinions of the Company concerning world financial

markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Company's investment strategy will achieve profitable results. Past performance of the Company or that of its Directors, the Lead Shareholder, or their affiliates is not indicative of future results of the Company. Shareholders risk the loss of their entire investment.

## **MANAGEMENT**

The sole Director and the Lead Shareholder of the Company is Reno Tri Casimir.

The management team of the Lead Shareholder comprises the following persons:

### ***Reno Casimir***

Reno Casimir has been the Lead Portfolio Manager and Chief Investment Officer for RC Global Investments Limited since its inception in 2007. Mr. Casimir started his career at Enron Corporation in 1999 as a Weather Derivatives Trader. He has also held various trading positions at Entergy-Koch Trading and Merrill Lynch Commodities, where he has traded a variety of commodities including natural gas, crude oil, and metals. Mr. Casimir holds a BBA in International Finance and a Minor in Economics from The University of Houston.

### ***Rahul Chandola***

Rahul Chandola joined RC Global Investments Limited as Director of Trading and Research in Jan 2009. Previously, Mr. Chandola served as Portfolio Manager at Flint Rock Global Investors, a global macro hedge fund based out of Austin, TX where he was responsible for all aspects of quantitative research, trading and risk management. Mr. Chandola started his career at Pacific Investment Management Company (PIMCO) as a portfolio associate where he worked on risk management of portfolios dedicated to global fixed income with assets under management of \$60 billion and worked on special projects related to commodities and catastrophe bonds. Mr. Chandola has five years of investment experience and holds a MA in Mathematical Finance from Columbia University, MS in Finance from Illinois Institute of Technology and a B.Tech in Metallurgical Eng and Material Science from Indian Institute of Technology (IIT) Bombay.

## **SUMMARY OF TERMS**

The following Summary of Terms governing a Shareholder's investment in the Company is qualified in its entirety and should be read in connection with the Articles of the Company and the Subscription Agreement, the forms of which are attached hereto as Exhibits I and II respectively.

### ***The Company***

The Company is a company limited by shares incorporated in the British Virgin Islands under the BVI Business Companies Act, 2004. The Company commenced operations on 15 April 2007.

### ***Eligible Investors***

The Subscriber must satisfy any one of the following criteria:

- (a) a corporate entity with net assets exceeding US\$10million;
- (b) a natural person who has individual net worth exceeding US\$2 million excluding the value of the primary residence of such person; or
- (c) a natural person with income exceeding US\$300,000 in each of the two most recent years and a reasonable expectation of the same income level in the current year, and

must satisfy all applicable laws and requirements for their investment in the Company.

The Company reserves the right to amend or vary the above criteria and may from time to time impose new criteria at its sole discretion. The Company also reserves the right to reject any investor for any reason or for no reason in its sole discretion.

### ***Subscriptions***

Closing is expected to occur on or about [***date***] (or such other date as the Lead Shareholder may direct). After the initial closing, additional subscriptions for Participating Shares may be accepted from the Subscriber on Dealing Days, generally subject to the receipt of cleared funds on or before the acceptance date. The minimum investment is US\$1,000,000.00, although the Company may accept investments in lesser amounts at its discretion.

In exchange for the subscription consideration, the Subscriber shall receive Participating Shares representing a proportionate share of the net assets of the Company at Closing.

There is no minimum aggregate amount of subscriptions that is required for the initial acceptance of subscriptions, nor has the Company established any maximum amount of subscriptions that may be accepted.

### ***Eligible Investors***

The Subscriber must represent and warrant to the Company that, among other things, it is able to acquire Shares without violating applicable laws. The Company will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful. In particular, Shares may not be offered or sold to any person other than a person who satisfies the requirements set out in this Information Memorandum.

### ***Affiliated Investors***

The Lead Shareholder and its affiliates have existing investments in the Company and reserve the right to make additional investments in the Company either directly or through co-investment arrangements. Such affiliated investors may not bear the management fee or the performance allocation in favor of the Lead Shareholder described below and share pro rata in all other applicable expenses.

### ***Borrowing and Leverage***

The Company may invest using margin and arrange with banks, brokers and others to borrow money against a pledge of assets in order to employ leverage when appropriate.

### ***Fees and Expenses***

For its services to the Company, the Directors are entitled to receive monthly fees at an annual rate of one percent (1%) of the Net Asset Value of each Participating Share. Management fees are calculated monthly and payable in arrears.

The Company bears all costs and expenses directly related to its investment program, including expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on the Company. The Company also bears all out-of-pocket costs of the administration of the Company, including accounting, audit and legal expenses, costs of any litigation or investigation involving the Company's activities, and costs associated with reporting and providing information to existing and prospective Shareholders.

The Company does not have its own separate employees or office, and does not reimburse the Shareholder for salaries, office rent and other general overhead costs of the Shareholder (collectively, "Overhead Costs"). A portion of the commissions generated on the Company's brokerage transactions may generate "soft dollar" credits that the Shareholder is authorized to

use to pay for research and other non-research related services and products used by the Shareholder, including Overhead Costs.

### ***Performance Fees***

As of the close of each fiscal quarter and subject to the limitations described below, the Lead Shareholder will be entitled to receive a performance fee which shall be equivalent to ten percent (10%) of the increase in the Net Asset Value per Participating Share in any Performance Period.

The performance allocation is not subject to any "High Watermark" limitation. Where the Net Asset Value per Participating Share on the last Valuation Point in any fiscal quarter exceeds the Net Asset Value per Participating Share on the last Valuation Point in the immediately preceding fiscal quarter (or in the case of the first calendar quarter, exceeds the Subscription Price of such Participating Share), the Performance Fee shall be equivalent to ten percent (10%) of the difference between the two applicable Net Asset Values per Participating Share. Where the Net Asset Value per Participating Share on the last Valuation Point in any calendar quarter is less than the Net Asset Value per Participating Share on the last Valuation Point of the immediately preceding calendar quarter, no Performance Fee shall be payable to the Lead Shareholder.

The Performance Fee is generally calculated and charged to each Participating Shareholder at the end of each fiscal quarter. A Performance Fee is also calculated and charged (i) with respect to any Participating Shareholder whose Participating Shares are to be redeemed, and (ii) with respect to a Participating Shareholder who is making a partial redemption of such Participating Shareholder's Participating Shares, as of any time other than the close of a fiscal quarter on the basis of the Net Asset Value per Participating Share on the Redemption Day (but only with respect to the amount redeemed on a pro rata basis in the event of a partial redemption).

The Performance Fee with respect to any Participating Share may be waived or altered by the Lead Shareholder in its sole discretion.

### ***Equalisation***

In general, Participating Shares may be subscribed for on any Dealing Day. However, when Shares are subscribed for during the course of a Performance Period, certain adjustments to the amount of money paid for the subscription for Participating Shares may be necessary. This is done so that (i) the Performance Fee paid to the Lead Shareholder is charged only to those Participating Shares which have appreciated in value since their date of issue, (ii) all Shareholders will have the same amount per Participating Share at risk, and (iii) all Participating Shares will have the same Net Asset Value per Participating Share.

The number of Participating Shares to be subscribed for will be based on the Subscription Price per Share which shall be calculated in the following manner:

- (1) For Participating Shares subscribed for on the first Business Day of a Performance Period ("**Period Beginning**"), the Subscription Price will be the Period Beginning Net Asset Value of the Shares ("**Beginning Value**").
- (2) For interim subscriptions, when the Net Asset Value per Share is more than the Beginning Value, the Subscription Price will be the sum of the Net Asset Value per Share plus the "Equalisation Factor" as defined below. The Equalisation Factor shall be the amount which the Participating Shares outstanding since Period Beginning should be charged (i.e. 30% of the increase in value since Period Beginning), and which the Participating Shares subscribed for at the date of interim subscription should not be charged. To the extent that the increase in Net Asset Value of the Shares that causes the payment of the Equalisation Factor is not lost in the current Performance Period, the Equalisation Factor attributable to such increase will become payable to the Shareholder at the end of the current Performance Period. To the extent that the increase in value of the Shares that causes the payment of the Equalisation Factor is lost in the Performance Period in which the Shares are subscribed for but is recovered in a subsequent Performance Period, the Equalisation Factor attributable to such recovery will become payable to the Shareholder at the end of the Performance Period in which the recovery occurs. Upon redemption by a Shareholder of his Participating Shares, the same amount of the Equalisation Factor will be paid to him as if the date of redemption were the last day of the Performance Period in which the Participating Shares are redeemed. Any Equalisation Factor, or portion thereof, which is due to a Shareholder not redeeming his Participating Shares will be used to subscribe for additional fully paid Participating Shares on behalf of such Shareholder as of the first day of the next succeeding Performance Period.

Where the Net Asset Value per Participating Share subscribed for in the interim part of a Performance Period is less than the Beginning Value, the Company may, at its sole discretion, make certain adjustments at the end of the Performance Period by requiring the subscribers of those Participating Shares subscribed for in the interim to pay an additional amount as a performance fee. These adjustments will be effected by redeeming a sufficient number of those Participating Shares at the applicable Redemption Price at the end of the Performance Period so that the particular Shareholder will be charged the appropriate performance fee.

### ***Distributions; Redemptions***

Subject to redemption of Participating Shares on Redemption Days, all earnings of the Company are ordinarily retained for investment.

The Company will on each Redemption Day redeem all the Participating Shares of a relevant class registered in the name of each Shareholder at the Redemption Price. The Redemption Price payable for each Participating Share being redeemed shall be the Net Asset Value per Share of the class and series to which that Participating Share belongs calculated as at the close of business on the Valuation Day corresponding to the Redemption Day on which such Share is to be redeemed.

Subject to the receipt by the Company of written notice from a Shareholder no less than 60 days prior to a Redemption Day, the Company shall proceed to redeem any Shares required for redemption by a Shareholder on the relevant Redemption Day. Upon redemption of any Participating Shares, the holder of such Participating Shares shall cease to have any rights with respect to such Participating Shares except the right to receive the Redemption Price payable and the right to receive any dividend declared but unpaid prior to the relevant Redemption Day, payment of which shall be made on the day falling 45 days after the Redemption Day. From the Redemption Day, the former Shareholder shall rank as an unsecured creditor of the Company in respect of such Redemption Price and any declared but unpaid dividends.

Notwithstanding the foregoing, a Shareholder may issue a written notice of redemption at any time after the Incapacity or demise of Reno T. Casimir and the Company shall proceed to redeem such number of Participating Shares of the Shareholder as may be specified in such notice of redemption within 30 days from the date of such notice of redemption. Upon such redemption of any Participating Shares, the holder of such Participating Shares shall cease to have any rights with respect to such Participating Shares except the right to receive the Redemption Price payable and the right to receive any dividend declared but unpaid prior to the relevant Redemption Day, payment of which shall be made on the day falling 45 days after the relevant date of redemption. From the relevant date of redemption, the former Shareholder shall rank as an unsecured creditor of the Company in respect of such Redemption Price and any declared but unpaid dividends.

The Company reserves the right to charge a redemption fee at its sole discretion and the Company may withhold an amount representing the actual or estimated costs incurred by the Company with respect to such withdrawal.

The Company may suspend the right of Shareholders to receive any payments or distributions upon the occurrence of an event that may result in dissolution of the Company or at any other time in its sole discretion.

Shares held by the Lead Shareholder or any of its affiliates are not subject to the restrictions on withdrawal described herein.

### ***Transfers***

Shares are not transferable except with the prior written consent of the Directors of the Company, which consent may be withheld at the sole discretion of the Directors. The Company may require any transferee or assignee of any Shareholder to agree in writing to be bound by the Subscription Agreement and the Articles of Association.

### ***Duty of Care; Indemnification***

The Lead Shareholder and its affiliates are not liable to the Company or the Shareholders for any loss or damage arising by reason of being or having been the Director or Lead Shareholder or from any acts or omissions in the performance of its services as Director or Lead Shareholder in the absence of willful misconduct, recklessness, or gross negligence or as otherwise required by

law, and contains provisions for the indemnification of the Lead Shareholder and its affiliates by the Company (but not by the other Shareholders individually) against any liabilities arising by reason of being or having been the Director or Lead Shareholder or in connection with the Articles of Association or the Company's business or affairs to the fullest extent permitted by law. The Lead Shareholder is not personally liable to any Shareholder for the repayment of any Subscription Price or by reason of any change in income tax or other laws applicable to the Company or its Shareholders.

***Non-Exclusivity; Allocation of Opportunities***

None of the partners, officers, managers, members, employees or affiliates of the Lead Shareholder are precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Company.

The Director and the Lead Shareholder will act in a manner that they consider fair, reasonable and equitable in allocating investment opportunities to the Company but does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Company or any restrictions on the nature or timing of investments for the account of the Company and for the Lead Shareholder's own account or for other accounts that the Shareholder or its affiliates may manage. The Lead Shareholder is not obligated to devote any specific amount of time to the affairs of the Company and is not required to accord exclusivity or priority to the Company in the event of limited investment opportunities arising from the application of speculative position limits or other factors.

When the Lead Shareholder determines that it would be appropriate for the Company and one or more other investment accounts to participate in an investment opportunity, the Lead Shareholder will seek to execute orders for all of the participating investment accounts on an equitable basis. If the Lead Shareholder has determined to invest at the same time for more than one of the investment accounts, the Lead Shareholder will generally place combined orders for all such accounts simultaneously and if all such orders are not filled at the same price, it will generally average the prices paid. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Lead Shareholder will allocate the trade among the different accounts on a basis that it considers equitable. Situations may occur where the Company could be disadvantaged because of the investment activities conducted by the Lead Shareholder for other investment accounts.

***Valuations; Reserves***

The Company's assets are valued by the Lead Shareholder as of the close of each fiscal period.

Appropriate reserves may be accrued and charged against net assets for contingent liabilities, such reserves to be in the amounts (subject to increase or reduction) that the Lead Shareholder in its sole discretion deems necessary or appropriate. At the sole discretion of the Lead Shareholder, the amount of any such reserve (or any increase or decrease therein) may be charged or credited to the Company.

### ***Fiscal Year***

The Company has a fiscal year ending on December 31 of each calendar year.

### ***Reporting***

The Company furnishes to its Shareholders as soon as practicable after the end of each taxable year (or as otherwise required by law) annual reports containing audited financial statements examined by the Company's independent auditors. The Company also furnishes monthly reports reviewing the Company's performance for such quarter. The Lead Shareholder selects the Company's independent accountants in his sole discretion.

### ***Investment Committee***

The Directors may appoint a committee (the "Investment Committee") consisting of one or more individuals selected by the Directors, none of whom is affiliated or associated with the Lead Shareholder (except as a Shareholder in the Company). If established, the Investment Committee will have the authority, at the request of the Directors, to consult with the Company on any matters that may involve a conflict of interest between the Lead Shareholder on the one hand and the Company on the other. Any consent given by the Investment Committee on behalf of the Company in good faith after consultation with the Lead Shareholder is binding on the Company and its Shareholders. The Company will have the authority to agree to reimburse members of the Investment Committee for their out-of-pocket expenses and to indemnify them to the maximum extent permitted by law.

### ***Dissolution and Liquidation***

Dissolution of the Company may also occur:

- (a) upon the Lead Shareholder's election, in its sole discretion, to dissolve the Company;
- (b) upon the occurrence of any event which results in the Lead Shareholder (or a successor to its business) ceasing to be the Lead Shareholder of the Company,

the Lead Shareholder (or a liquidator elected by a majority of the Participating Shareholders, if the Lead Shareholder is unable to perform this function) is charged with winding up the affairs of the Company, liquidating its assets to the extent feasible and making liquidating distributions (in cash or in other assets, whether readily or not readily marketable) pro rata in accordance with each Shareholder's shareholding in the Company.

### ***Tax Status***

The Company may from time to time consult tax advisers on the structure of its investments and holding. Shareholders are expected to seek independent tax and financial advice in relation to their own affairs.

***Amendment of the Articles of Association***

The Articles of Association may be amended by the Lead Shareholder from time to time. However, without the consent of a majority of the Participating Shareholders adversely affected thereby, the Company may not vary the rights accorded to any Participating Shares under the Articles of Association of the Company.

Notwithstanding the foregoing, the Lead Shareholder may amend the Articles of Association without the consent of other Shareholders at any time (i) to comply with applicable laws and regulations; (ii) to make changes that do not adversely affect the rights or obligations of any Shareholders; or (iii) to cure any ambiguity or correct or supplement any conflicting provisions of the Articles of Association.

## **RISK FACTORS**

***Investment in the Company is only suitable for investors who fully understand and can afford to assume the risks of investment in the Company. There is no guarantee that the investment objective of the Company will be achieved. Prospective investors should be aware of the following risk factors when contemplating whether or not to invest in the Company:***

### ***Investment Objective***

There is no guarantee that in any time period, particularly in the short term, the Company's portfolio will achieve appreciation in terms of capital growth.

Investors should be aware that the value of Shares may fall as well as rise.

Investment in the Company involves significant risks. Whilst it is the intention of the Company to invest in underlying funds with investment strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in the Company. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Company.

### ***Multiple Investment Managers***

Because the Company may invest in funds managed by managers who make their trading decisions independently, it is theoretically possible that one or more of such funds may, at any time, take investment positions that are opposite of positions taken by other funds. It is also possible that the funds invested in by the Company may on occasion be competing with each other for similar positions at the same time. Also, a particular manager of a fund may take positions for its other clients that are opposite to positions taken for the fund.

### ***Access to Information from Managers***

In selecting funds for investment, the Directors typically will request information regarding the fund's historical performance and investment strategy and will also request detailed portfolio information on a continuing basis from each fund invested in by the Company. However, the Company may not always be provided with such information because certain of this information may be considered proprietary information by the particular fund. This lack of access to information may make it more difficult for the Company to select, allocate among, and evaluate funds.

### ***Lack of Operating History of Funds***

The funds invested in by the Company may be managed by new managers with a limited performance history in operating their own management company (although such managers typically will have significant prior experience in the securities industry). Therefore, such investments may involve greater risks than investment with more established managers.

### ***Calculation of Net Asset Value***

The Net Asset Value per Share shall be calculated by reference to (among other things) the net asset value of the assets of the Company which may include investments in other funds. The procedures for calculation of the net asset value of such underlying funds may not correspond to the method of calculation adopted by the Company. In addition, the valuation dates on which the underlying funds calculate their net asset value may not coincide with the Valuation Points of the Company. As a result, the calculation of the Net Asset Value per Share may be made on the basis of the net asset value for underlying funds, which are either, estimated in the event that no published net asset value is available for such underlying fund, or are historic net asset values where the valuation date of any underlying fund does not coincide with the Valuation Point of the Company. Such estimated net asset values and historic net asset values may vary significantly from the actual value of the net assets of the respective underlying funds on the relevant Valuation Point. Such valuations may not be reflected in the Net Asset Value of the Shares, as a result of which the published Net Asset Value per Share may be higher or lower than the actual value of the Share's net assets on the relevant day. Consequently, the proceeds resulting from the redemption of Shares or the amount which a subscriber or Shareholder, must pay to subscribe for Shares may represent a discount (or premium) on the value of the net assets attributable to such Shares.

### ***Activities of Funds***

Where the Company invests in any underlying funds, the Company will seek to select only funds that will invest the Company's assets with the highest level of integrity. However, the Company will not have control over the day-to-day operations of any of the selected funds. As a result, there can be no assurance that every fund invested in by the Company will conform their conduct to these standards.

### ***Illiquidity***

Because of the limitations on redemptions and transfers of Shares, and furthermore, due to the fact that the Company may invest its assets with funds that do not permit frequent redemptions, including funds that have "lock-up" periods or otherwise do not permit redemptions for significant periods of time, an investment in the Company is a relatively illiquid investment.

A subscription for Shares should be considered only by persons financially able to maintain their investment for an appreciable period of time and who can afford a substantial loss of their investment.

### ***Expenses***

The expenses of the Company (including the indirect payment of fees by the Company to the managers of funds in which it invests and the Company's pro rata share of expenses of such funds) may be a higher percentage of net assets than would be found in other investment entities. Strategies utilized by certain funds invested in by the Company may require frequent trading and, as a result, portfolio turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size. Moreover, such trading will be out of the direct control of the Company.

### ***Non-Disclosure of Positions***

In an effort to protect the confidentiality of its positions, the Company generally will not disclose all of the Company's positions to Shareholders on an ongoing basis, although the Lead Shareholder, in its sole discretion, may permit such disclosure on a select basis to certain Shareholders if the Lead Shareholder determines that there are sufficient confidentiality agreements and procedures in place.

### ***Possible Adverse Tax Consequences***

No assurance may be given that the manner in which the Company will be managed and operated, or that the composition of its direct and indirect portfolio investments, will be tax efficient for any particular Shareholder or group of Shareholders. The Company does not intend to provide its Shareholders with information regarding the percentage ownership of its Shares held by residents of any country. The Company's books and records might be audited by the tax authorities of countries where the Company's portfolio is managed, or where a portion of its direct and indirect portfolio investments are made, or where a particular Shareholder or group of Shareholders reside. Any such audits could subject the Company to tax, interest and penalties, as well as incremental accounting and legal expenses. Should the Company be required to incur additional taxes or expenses as a result of the capital contributions made by any Shareholder, or become subject to any record keeping or reporting obligations as a result of permitting any person to remain or be admitted as a Shareholder of the Company, the Company will seek reimbursement of the costs of such taxes, expenses or obligations from such person.

### ***Effects of Redemptions***

Large redemptions of Shares within a limited period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in the Company's Net Asset Value could make it more difficult for the Company to generate profits or recover losses.

***Risks Associated with the Investment Portfolio*****(1) Diversification**

Although the Investment Manager will seek to obtain diversification by investing with a number of different funds with different strategies or styles, it is possible that several funds may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Company to more rapid change in value than would be the case if the assets of the Company were more widely diversified.

**(2) Leverage**

Funds invested in by the Company may utilize a substantial degree of leverage particularly with regard to certain arbitrage strategies. This results in the fund controlling substantially more assets than it has equity. Leverage increases returns to the investors (including the Company) if the fund earns a greater return on investments purchased with borrowed funds than the fund's cost of borrowing such funds. However, the use of leverage exposes the fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the fund not borrowed to make the investments, (ii) margin calls or interim margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the fund's assets, the fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the fund.

The concept of leverage involves the use of debt to finance purchases of securities and manifests itself in different ways. The funds invested in by the Company have the ability to borrow funds "on margin" from brokers for the purchase of equity securities. These are transactions that involve an initial cash requirement representing 50% of the underlying security's value with respect to transactions in U.S. markets and varying (typically lower) percentages with respect to transactions in non-U.S. markets. Purchases of debt securities may be financed through repurchase agreements with banks, brokers and other financial institutions which involve the transfer by the fund of the underlying debt instrument in return for cash proceeds based upon a percentage (which can be as high as 95-100%) of the value of the debt instrument. The fund faces risks due to leverage in the event that its equity or debt instruments decline in value. In this event, the fund could be subject to a "margin call" or "collateral call," pursuant to which the fund must either deposit additional funds with the lender, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value.

To the extent that options, futures, options on futures, swaps, swaptions and other "synthetic" or derivative financial instruments are used, it should be noted that they inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a very small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. In addition, many of these products are subject to variation or

other interim margin requirements, which may force premature liquidation of investment positions.

**(3) Volatility**

As a result of the flexible and often aggressive investment style of the funds the Company may invest in, including the use of leverage, investments in emerging markets, “macro” investments and derivative and synthetic instruments generally, the investment performance of some of the underlying funds may be very volatile. However, as noted above, the Company will strive to construct a portfolio composed of numerous funds with diversification of styles and non-correlation to some degree among the various funds. The overall intent is to substantially reduce volatility in the aggregate.

**(4) Lack of Liquidity of Fund Assets**

The assets of the Company may, at any given time, consist of securities and other financial instruments or obligations which are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments.

**(5) Portfolio Valuation**

In determining the value of the Company’s portfolio, the Directors will rely on the net asset value prices provided by the managers and/or administrators of the funds in which the Company invests. Because of overall size, concentration in particular markets and maturities of positions held by funds, the value at which a fund’s investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at by the fund. In addition, the timing of liquidations may also affect the values obtained on liquidation. Securities to be held by a fund may routinely trade with bid-ask spreads that may be significant. At times, third-party pricing information may not be available for certain positions held by a fund. In addition, a fund may hold privately placed securities for which no public market exists. Valuations pursuant to the relevant provisions of the Articles will be conclusive and binding on all Shareholders.

**(6) Risks of Suspensions**

The underlying funds or assets in which the Company invests may be subject to temporary suspensions in the determination of the net asset values of such funds or assets. In such event, the Company may be unable to redeem its interests in such funds or assets when it would otherwise be advantageous to do so. The delay in disposal of the Company’s investments may adversely affect both the value of the investment being disposed of, and the value and liquidity of the Shares. The lack of liquidity resulting from a suspension of the calculation of the net asset value of funds or assets could require the Board to suspend accepting subscriptions and redemptions of Shares. Holders of Shares should recognise that they will be subject to an above-average liquidity risk.

**(7) Short Sales**

The Company may engage in a significant amount of short selling. Short selling, which involves selling securities not currently owned (i.e., selling borrowed securities), necessarily involves certain additional risks. These transactions expose the fund to the risk of loss in an amount greater than the initial investment, and the losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

#### **(8) Options**

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

#### **(9) Effect of Substantial Redemptions**

In the event funds invested in by the Company experience substantial redemptions on any date (whether due to poor performance, death or retirement of principals or other reasons), the fund may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amounts of assets under management. Under such circumstances, in order to provide sufficient funds to pay such redemptions, the funds might be required to liquidate positions at an inappropriate time or on unfavorable terms, or to suspend payment of redemptions in whole or in part.

#### **(10) Non-U.S. Securities**

Investing in securities of companies domiciled or operating in one or more non-U.S. countries involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some non-U.S. governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in non-U.S. countries could be affected by other factors not present in the United States, including lack of uniform

accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

#### **(11) Currency Risks**

Investments in securities or other instruments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Funds invested in by the Company may try to hedge these risks by investing in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts or similar instruments, or any combination thereof, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

#### **(12) High Yield Securities**

The funds utilised by the Company may invest in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

#### **(13) Derivative Instruments**

To the extent that the funds invested in by the Company invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the fund and hence the fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

**(14) Emerging Markets**

A small number of funds invested in by the Company may invest in emerging market securities. Investing in emerging market securities involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) dependence on exports and the corresponding importance of international trade and commodities prices; (d) less liquidity of securities markets; (e) currency exchange rate fluctuations; (f) potentially higher rates of inflation (including hyper-inflation); (g) controls on non-U.S. investment and limitations on repatriation of invested capital and a fund's ability to exchange local currencies for US dollars; (h) a higher degree of governmental involvement in and control over the economies; (i) government decisions to discontinue support for economic reform programs and imposition of centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about economics and issuers; (k) less extensive regulatory oversight of securities markets; (l) longer settlement periods for securities transactions; (m) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; and (n) certain consequences regarding the maintenance of portfolio securities and cash with sub-custodians and securities depositories in emerging market countries.

**(15) Emerging Market Debt Securities**

A small number of funds invested in by the Company may invest in emerging market debt securities, including short-term and long-term securities denominated in various currencies. These securities may be unrated or rated in the lower rating categories by the various credit rating agencies. These securities are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for non-U.S. debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for emerging market debt securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

**(16) Market Risk**

The profitability of a significant portion of the Company's investment program depends to a great extent on correct assessments by managers of funds of the future course of price movements of securities and other investments. There can be no assurance that the managers of funds will be able to accurately predict these price movements. The securities markets have

in recent years been characterized by great volatility and unpredictability. With respect to the investment strategy utilized by funds in which the Company may invest, there is always some, and occasionally a significant, degree of market risk.

**(17) Interest Rate Risk**

A fund's investments may be subject to interest rate risk even though most of the funds attempt to hedge out such risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. While the funds may from time to time seek to hedge such risks using both corporate and treasury securities as well as derivative instruments, there is no assurance that such measures, even if implemented, will be effective.

**(18) Other Instruments and Future Developments**

The Company may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized "synthetic" or derivative instruments. In addition, the funds may take advantage of opportunities with respect to certain other "synthetic" or derivative instruments which are not presently contemplated for use by the funds or which are currently not available, but which may be developed, to the extent such opportunities are consistent with the fund's investment objective. Special risks may apply to such future investments.

**(19) Other Risks**

Each strategy employed by the funds in which the Company will invest typically will involve a different set of complex risks, many of which are not described in this Memorandum. Each prospective investor should make such investigation and evaluation of such risks as he concludes is appropriate.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE ALL THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL SUBSCRIBERS SHOULD READ THIS INFORMATION MEMORANDUM IN ITS ENTIRETY AND SEEK INDEPENDENT PROFESSIONAL ADVICE BEFORE DETERMINING WHETHER TO INVEST IN THE SHARES**

## **TAXATION**

The Subscriber should consult its professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The following is based on the law and practice currently in force in the British Virgin Islands and, accordingly, is subject to amendment from time to time.